Presentation of Budget Estimate for 1112 M. E.

Mr. P. V. Subramania Ayyar.— Sir, it is once more my privilege to place before the Legislative Council the budget estimate for 1112 M. E. and, with your kind permission, Sir, I rise to present the same to this House.

2. The budget has, as usual, undergone the searching scrutiny of the Standing Finance Committee consisting of three of your elected representatives also and I am indeed very grateful for the great pains taken by them and the valuable suggestions they have made in the course of scrutiny. If further elucidation is desired on any items by the Honourable Members of the House in addition to those which I have endeavoured to explain in my memorandum that must have reached them with the budget estimates, I hold myself entirely at their disposal and I shall be glad to explain them further as much as possible.

3. I shall now proceed to traverse with you over the transactions of the year that is past with which you must have become acquainted from the administration Report of the year.

ACCOUNTS OF 1110.

4. Though the budget estimate for 1110 was prepared on the basis of a revenue realisation of Rs. 92·09 lakhs, the actuals showed an increase of Rs. 5·32 lakhs and the budgetted expenditure of Rs. 91·83 lakhs also rose similarly by Rs. 5·0 lakhs. Such large variations in actuals might reflect in accuracy in budgeting if they were not the result of unforeseen and unforeseeable circumstances. That the variations were in fact due to these causes has been explained in detail in the memorandum.

On the side of receipts the most appreciable increase (Rs. 2·64 lakhs) was under 'Profits from Capital Outlay' owing to the increased earnings of the Railway on account of better traffic, while 'Abkari, Ganja and Matches' came next with an increase of Rs. 2·28 lakhs owing to the newly imposed duty on matches. Other minor increases occurred under 'Customs' (Rs. ·34 lakh) on account of the enhanced receipts under the Cochin Harbour Agreement, Income-tax (Rs. ·39 lakh) owing to larger collections and 'Interest' (Rs. ·44 lakh) due to the care and promptness with which investment of surpluses of cash balances was made in sources fetching better rates of interest.

On the side of disbursements, the largest increase occurred under 'Miscellaneous' (Rs. 2·63 lakhs) mainly due to the South Indian tour of His Highness the Maharaja, the tour to New

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Delhi for investiture, the entertainment of State Guests, the expenses in connection with the discussion of the Harbour scheme, etc. The increase in the maintenance charges of the Railway contributed to an increase of Rs. 2·08 lakhs under 'Railway'. The other increases occurred under 'Tramway' (Rs. ·61 lakh) due to renewal of rails, 'Pension and Gratuity' (Rs. ·25 lakh) due to increased requirements under 'Service pension', etc. Against these increases, the only noticeable decrease occurred under 'Panchayats' due to savings under 'Communications', etc. The actual transactions of the year resulted in a small surplus of Rs. ·58 lakh thereby maintaining the position of equilibrium anticipated in the budget estimate, viz., Rs. ·26 lakh.

FINANCIAL POSITION AT THE END OF 1110.

5. Before I proceed to deal with the current year, I think it will be but proper if I sketch for your information the exact financial position of the State as it stood at the end of 1110. The State had then (at the close of the year 1110) a net asset of Rs. 108·33 lakhs after making due provision for all liabilities. (Please see Asset and Liability statement appended to the Budget). Of this, a sum of Rs. 41.43 lakhs represented the outlay on Harbour and Rs. 74·06 lakhs the outlay on Railway coversion—these two alone making a total asset of Rs. 115·49 lakhs. The outlay on these twin schemes of capital works thus exceeded the net asset to the credit of the Government by Rs. 7·16 lakhs.

REVISED ESTIMATES OF 1111.

6. The budget estimates for the current year were for a total revenue of Rs. 98·54 lakhs and provided for a programme of expenditure of Rs. 97·84 lakhs, leaving a nominal surplus of Rs. ·70 of a lakh. However, on the basis of the actuals so far known, the revenue is expected at Rs. 98·60 lakhs, more or less the same as that budgetted for, and the expenditure charged to revenue is anticipated to rise to Rs. 104·14 lakhs, the current year being thus expected to close with a deficit of Rs. 5·55 lakhs.

On the side of receipts, increases in revenue have been expected to the extent of Rs. 2·51 lakhs under various items and these have been counterpoised by falls in revenue to the extent of Rs. 2·45 lakhs under certain other heads so that the net result is only an increase of Rs. ·06 lakh over the budget estimate of Rs. 98·54 lakhs.

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